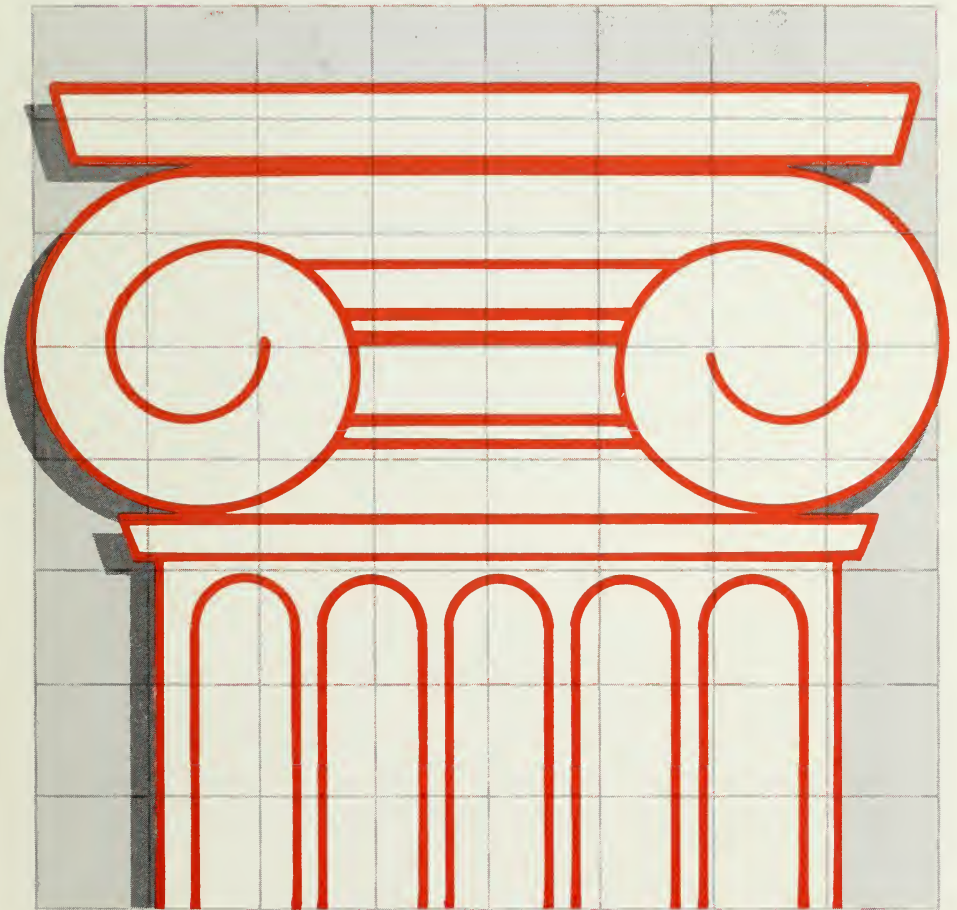


DESIGN/DEVELOPMENT COMPETITION GUIDELINES



Donald E. Priest



Digitized by the Internet Archive
in 2015

DESIGN/DEVELOPMENT COMPETITION GUIDELINES

by
Donald E. Priest



The National Association of Housing and Redevelopment Officials
1320 Eighteenth Street, N.W.
Washington, D.C. 20036

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

LABORATORY REPORT

NAME

DATE

LABORATORY NUMBER

ACKNOWLEDGEMENTS

Two groups were called upon to assist the National Association of Housing and Redevelopment Officials in the development of these guidelines. The first group was the Advisory Board. The second group, which included members of the Advisory Board, were practitioners in the field.

Two meetings were held. The first was of the Advisory Board. The meeting was held on October 31, 1985. The agenda was to review the initial outline of the study and to determine its basic content. The Advisory Board did an excellent job of analyzing the issues and on developing a consensus on the contents of the guidelines.

The second meeting was held on February 5, 1986. Its purpose was to review the draft of the report. Local public officials, developers, architects, and members of the Advisory Board were invited. The meeting was divided into small groups — each group made up of representatives of the disciplines — public officials, architects, developers, etc. Each group reviewed the draft in great detail and reported to the plenary session. The plenary session debated each group's recommendations, and a general consensus was reached on the major issues.

William L. Rafsky, Chairman of the Advisory Board, was in the chair at both meetings. He performed admirably.

Members of the Advisory Board attending either or both of the meetings were:

William L. Rafsky, Chairman
President
Center for Philadelphia Area
Development

Donald Canty, Hon. AIA
Editor
Architecture

Edward Helfeld
Consultant

Winston Martin
Executive Director
San Antonio Development
Agency

Hugh Miels
Linton, Miels, Reisler & Cottone

William H. Albinson, AIA
Team Four, Inc.

Albert M. Cole
Counsel
McKenna, Conner & Cuneo

Keith Kelly
President
Union Station Redevelopment
Corporation

Robert McCabe
President
Detroit Renaissance

Michael Pittas
Consultant

Harry Weese, FAIA
Harry Weese and Associates
Chicago, IL 60610

Non-advisory Board members attending the February 5, 1986 meeting were:

Stephen Abrams
Council Member
Rockville, MD

Martin Cramton, Jr.
Director of Planning
Charlotte Mecklenburg Planning
Commission

Stephen F. Dragos
Executive Vice President
Phoenix Community Alliance

April Eberly, AIA
Staff Architect
Board of Architectural Review
City of Alexandria

C. Samuel Kissinger
City Manager
City of New Rochelle, NY

Robert Marquis, FAIA
President
Marquis Associates

Helen L. Sause
Project Director
Yerba Buena Center
San Francisco Redevelopment
Agency

Peter H. Smith
Art Specialist
National Endowment for the Arts

Paul D. Spreiregen, FAIA

Thomas X. White
Mayor Pro Tem
City of Greenbelt

I should also like to give special thanks to William L. Rafsky, not only for his agreeing to serve as Chairman but also for his exemplary performance in carrying out his duties as Chairman.

Robert W. Maffin
Executive Director
National Association of Housing
and Redevelopment Officials
1320 18th Street, N.W.
Washington, D.C. 20036

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	3
PREFACE	7
INTRODUCTION	9
THE GUIDELINES	15
PREPARATION FOR COMPETITIONS	16
Defining Public Goals and Objectives	16
Justifying a Competition	16
Public Participation	17
Institutional Arrangements, Funding Commitments	17
Competition Manager	17
Staff Responsibilities	18
Advisory Committee	19
COMPETITION PROCEDURES	21
Qualifications Phase	21
Advertising and Briefing	21
Request for Qualifications	22
Submission Requirements	22
Selection Criteria	23
Review and Selection Procedures	23
An Optional Urban Design Phase	24
The Proposal Phase	24
Submission Requirements	24
Statement of Understanding	25
Design Proposals	25
Management, Finance, and Related Requirements	26
Public Benefits and Costs Statement	27
Fee Requirement	27
Proposal Preparation	27
Selection Criteria Weighting	28
Review Procedures	28
Procedural or Selection Criteria Changes	30
Publication of Results	30
APPENDIX	31
The Advisory Committee	31
The Competition Manager	32

PREFACE

The National Association of Housing and Redevelopment Officials has noted a reawakening of interest in the design quality of urban revitalization projects. This trend is noted with satisfaction. Design has an important effect on the quality of urban life. We respond to the design around us — when we are within a building experiencing its spaces; when we are outside a building enjoying its external architecture; when we are walking through a city observing the streetscape.

The National Association of Housing and Redevelopment Officials also notes a reawakening of interest in the use of competitions for selecting design/development teams. Use of this technique is beneficial when design is made a major criterion in the selection process.

With but few exceptions, however, design just doesn't happen. It is the result of both thoughtful creation and design-encouraging procedures. NAHRO's objective is to encourage the use of such procedures.

For these reasons, NAHRO sought financial aid from the National Endowment for the Arts to prepare these guidelines. Two of the reasons for NAHRO's receiving the grant were its interest in design and its stated purpose of encouraging local public agencies sponsoring development/design competitions to follow procedures that increase the potential of producing a product of superior design.

The Guidelines address issues relevant to the competition process that emphasize design. Consequently, the document provides advice to local public agencies on how to achieve good design in such competitive situations. Although the Guidelines deal with the "nitty gritty" of how one holds competitions and advises against the pitfalls, one should recognize that the reason for the guidelines - the *raison d'etre* - is to encourage good design.

William L. Slayton, Project Director

INTRODUCTION

The Housing Act of 1949, which created the Slum Clearance and Urban Redevelopment program, provided the impetus for local public agencies, such as housing authorities and redevelopment agencies, to begin working with private developers to produce private developments of a character and use established by a public agency. Working relationships between public agencies and private developers became more frequent and complex in subsequent years. Public officials and employees gained greater knowledge of the operation of the private development field. Some developers gained a greater understanding of the public process and developed an increased willingness to work in tandem with public agencies. Subsequently, programs such as the Urban Development Action Grant program created opportunities for even more sophisticated public/private partnership arrangements. More recently, with federal financial assistance being severely curtailed, local public agencies have been searching for new ways to pursue the concept of public/private development.

The common theme running through these public/private developments is the offering of some kind of public assistance in return for private development that meets the objectives of the public sector. The task of ensuring that developments would meet these objectives has always been a difficult one. Public agencies, nevertheless, can take several types of action to increase the probability that public objectives will be achieved. These procedures include careful exploration and definition of public goals and objectives prior to development and the translation of these goals and objectives into funding assistance conditions, design guides, and regulations; selection of competent and efficient design/development teams; and public development to complement or supplement private development. These guidelines focus on the procedures for public agency selection of a design/development team.

The character and competence of the design/development team are the more critical factors in determining the success or failure of a public/private project. The design/development team is defined as those persons who conceive, plan, design, finance, develop, and manage a real estate project. The composition of a team depends on the nature of the project and the respective roles of private and public participants. In all cases, however, the private sector portion of the team is led by a developer.

In the traditional private development process, a developer is responsible for initiating a project, determining project feasibility, obtaining the necessary financial resources, and then organizing and managing production and marketing activities. In a public/private project, however, many steps of the development process are carried out by a public agency prior to involvement of the private developer or in cooperation with a developer.

Typically, project initiation is by a public agency. Preliminary planning, design, and assessment of feasibility also may be carried out by a public agency. Public agencies work to obtain and organize development incentives, financial assistance or capital contributions, and infrastructure provisions. They also coordinate the development permission and construction management process. Even property operation and management can be important public contributions to the process.

Even with extensive public involvement, the private developer has primary responsibility for many activities. These include assembling a development team, analyzing market demand, formulating a development program and budget, determining financial feasibility, overseeing project design, obtaining financing from private sources (to be combined with public source financing), obtaining development permissions from public agencies, arranging and overseeing construction and marketing, and, perhaps, managing the completed project. In short, the developer contributes entrepreneurial management skills and assumes considerable risk in return for the prospect of a profit. In a public/private project, the risks are often shared between the public and private participants, but even so, the developer's risk is always significant.

In a strictly private sector development project, one of the developer's major responsibilities is forming and managing the design/development team. Team members may include the developer and other owner-participants, feasibility analysts, financial advisors, attorneys, an array of design-oriented professional advisors, builder/contractors, brokers, property managers, and others. Design-oriented members, for example, may include architects, land planners, landscape architects, interior designers, and engineers. Real estate development is a complex business requiring many types of expertise.

The processes that a developer uses to form a team and the criteria for team member selection have many variations. For the most part, developers select members they are convinced will get the job done competently and efficiently. Developers tend to retain the same team members for a series of projects once they have a successful experience together. "Team," after all, is the key word; members must be not only compatible but mutually supporting. A successful team arrangement is highly valued in the industry, and developers are loathe to reconstitute their teams if things are "going right."

In terms of the formal process of forming teams, developers bring members to the project as they are needed. Informally, however, the developer usually has a specific team in mind from the inception of a project and will maintain communication with potential members from the start of the project. Sometimes a developer will request proposals from alternate team members and award membership on the basis of relative qualifications, scope of work, and/or price. A competitive selection process is most frequently used in selecting building contractors and subcontractors.

tors, but rarely in the case of design members.

The process of forming design/development teams in the case of publicly initiated projects usually differs from the traditional private development process. First, the public agency has the prerogative of selecting the developer and can dictate the other members of the team. Second, the team selection generally is guided by the public agency's perception of who will do the best job in meeting public objectives. Usually, these objectives include timely completion within budget, maximizing future public revenues and employment, and other special objectives such as the provision of public amenities. A project's design character often falls into the category of matters deserving special consideration. Finally, public agencies usually have a special concern for equity and fairness in the selection process, a concern often mandated by state and local laws.

For all these reasons, the process of design/development team selection takes on special importance in publicly initiated projects. Agencies must establish the selection criteria and decide whether the selection will be a matter of negotiating with candidates following an informal search or a formal competition. Agencies also must decide the sequence in which team members should be chosen. Although selection criteria will be discussed later in these guidelines, the issues of negotiation versus competition and the sequence of selection should be reviewed at this point.

Most developers and many public agencies (when enabled by law) prefer a selection process involving either an informal search for candidates followed by negotiation with a favored candidate, or a formal evaluation of candidate qualifications (not proposals) followed by negotiations with the candidate deemed most qualified. Prior to final designation as the design/development team, the candidate team will be required to formulate a development proposal satisfactory to the public agency. These processes can be completed in a relatively short time, and they preclude the necessity of all candidates preparing expensive proposals.

Many public agencies, however, prefer a process in which a project proposal is chosen through competition. The major national competitions of the 1960s, such as San Francisco's Golden Gateway, Pittsburgh's Lower Hill, and Philadelphia's Society Hill, established the competitive selection process as an important technique which resulted in projects with many public benefits, including good design.

The competitive process has several major advantages:

- In organizing for a competition, public agencies are forced to articulate goals and objectives and to solicit public comments prior to the competition.
- Well structured and managed competitions can generate design and development solutions that are more creative than those achieved without competition.

- Competitions improve the probability that the most capable and competent development team will be selected.
- Competitions may result in the public receiving the greatest possible financial benefits from the project.
- The competition process can result in wider public understanding of design opportunities.
- Competitions help reduce the influence of political considerations in selection and permit teams to compete on the basis of talent.

Competitions held over the past three decades, however, have not been without problems.

- Some competitions have placed unreasonable costs on competitors, especially the design members. These costs, not only have been unreasonable, but they have dissuaded many well qualified teams from even considering a competitive entry.
- The process of selecting winners sometimes has been unfair to competitors.
- Competitions that allow the developer candidates to select their own design team members do not always result in the best designers being paired with the best developers.
- Frequently, selection criteria and development guidelines have not been clear or were changed during the competition.
- Some local agencies simply have not prepared adequately for a competition. Selection criteria, processes, and information provided to competitors have been inadequate.
- Frequently, the design factor has been relegated to minimal or no importance in the selection process.

These problems have been recognized and, as a result, competition procedures have changed significantly over the past three decades, in part to solve the cost and inequities problems and, in part, as a result of shifting public concerns. For example, some competitions of recent years have focused almost exclusively on developer capacity, the financial deal, and land price with good design almost forgotten.

Today, local public agencies are pursuing a mix of design/development team selection practices. The advantages and disadvantages of negotiation and competitions are better recognized, and there is renewed interest in using effective competitive selection procedures for projects that can attract substantial private sector interest. Most encouraging is a strong interest in making sure that “good design” is one of the benefits to be achieved through design/development competitions. In short, there is

interest in making sure that selection procedures result in balanced consideration of team capacity, financial issues, *and design*. Because of the importance of the competitive process to the achievement of good design, local agencies are urged to consider use of competitions aided by the guidelines set forth in this document.

There are several methods of designating a design/development team in a public/private project situation. The public agency can dictate the method to be used. Optional procedures include:

1. Designation of a designer, followed by design of the project, and then the selection of a developer.
2. Designation of a developer followed by selection of a designer through joint public/private solicitation or at least solicitation subject to public agency approval.
3. Designation of an entire design/development team as organized by the private developer.

Any one of these procedures may be appropriate in a given circumstance, but each has its drawbacks. Design of a project prior to selection of a developer is attractive because the public agency will have complete control of the design process. However, the process is likely to result in a design that may need considerable revision before it is acceptable to a developer and is feasible to implement. Moreover, it is extremely difficult to “marry” a designer and a developer selected separately. The design and development members must work well together; the association should be voluntary. Procedures two and three are more practical because they ensure that critical issues of project feasibility will be considered “up front.” In short, these procedures are best suited for projects that are intended to be built. A potential drawback is the reduction of design innovation opportunities. Nevertheless, the advantages of procedures two and three are so strong and they are so heavily favored by developers that they must be considered by public agencies. These guidelines deal primarily with procedure three, selection of an entire team at one time. The guidelines also can be modified for use with procedure two.

In light of the above considerations, guidelines in this document have been devised to meet the following objectives:

- To help agencies develop a selection process that attracts the most competent and talented developers and designers as participants in design/development competitions.
- To develop a selection process with fair criteria, definition, and clear procedures.
- To detail a process that elevates design to the status of a major criterion in the final selection of competition winners.
- To identify a competition process that does not require competitors to make extraordinary expenditures to qualify for consideration.

THE GUIDELINES

These guidelines pertain to situations in which the following conditions apply:

- A local public agency (such as a redevelopment authority, public development corporation, or community development agency) intends to select a real estate design/development team that will work in cooperation with the agency to organize, design, construct, and possibly manage a project meeting defined public purposes.
- The selection is to be achieved through an organized competition among development teams.
- A design/development team is defined to include a developer and persons from a number of supporting disciplines such as planning, architecture, landscape architecture, engineering, finance, and all other disciplines required to conduct the development activities necessary to bring a project to a successful conclusion. The sponsoring public agency may be a “partner” in the project, sharing risk as well as management, design, and construction responsibilities.
- Design issues are a major consideration in the competition.

The guidelines are applicable to competitions involving a wide variety of real estate project types and sizes. As a practical matter, competitions are most likely to be appropriate in the case of large scale, multi-use, or mixed use projects where potential benefits to the winning design/development team clearly justify the expense of participation. Occasionally, competitions will be justified for small projects of special importance to a community. Competitions are expensive for both competitors and sponsors.

Unfortunately, there are no good rules of thumb to help define a reasonable relationship between project size and the cost of the competition process to both competitors and local public agencies. Most potential competitors will resist competition costs that severely distort their overhead costs. If potential project profits do not justify preparation of competitive proposals, then public agencies may have to compensate the competitors for some portion of their work, such as design preparation. Public agencies are cautioned to estimate their own costs carefully before embarking on competitions for any project. A competition for a small project can be as expensive as for a large one.

PREPARATION FOR COMPETITIONS

The successful operation and successful outcome of design/development competitions is heavily dependent on adequate preparation by the sponsoring local public agency. Competitions require the commitment of substantial staff and other resources before and during the competition. The following activities should be considered *before* a competition is announced or implemented.

Defining Public Goals, Objectives and Project Guidelines

Public goals and objectives regarding the project must be clearly articulated prior to a competition. This process may take considerable time and should never be planned as part of the design/development process after team selection.

Particularly important are public policy statements in the form of comprehensive community plans, neighborhood or district plans, development regulations, and capital improvement programs. These define the general context of the project, allowed or preferred projects uses, supporting facilities, and development constraints. It is also highly desirable for an urban design plan to be prepared that deals with the physical relationship between a project and its surroundings, as well as the physical character of the project itself.

The nature and specificity of development and design guidelines for the competition site should be appropriate to the circumstances. Strict design guidelines can be very beneficial, but such design guidelines must be based on a thorough understanding of the opportunities and constraints associated with project implementation. Part of this understanding includes a knowledge of market and financial factors so that demands inherent in the guidelines are appropriate to market circumstances. In general, strict guidelines are reasonable when pre-project analysis and planning have thoroughly established project feasibility in the context of the guidelines. When project feasibility is not certain, guidelines should be flexible enough to allow for maximum innovation and creativity by competitors so they can adjust to local conditions as they see them.

Justifying a Competition

Agencies considering a competition should consider carefully the benefits and costs of a competition before proceeding. This step should include an analysis by staff or a consultant of the quantifiable and nonquantifiable advantages and hoped-for outcomes of a competition, as well as all costs to be incurred by the agency and competitors. This information

should be in written form and for review by agency decision makers before a competition is approved.

Public Participation

Public participation in project activities should be concentrated in the process of defining the goals, objectives, and project guidelines prior to selection of a design/development team. It is important that critical issues and areas of dispute regarding project characteristics be resolved *before* design/development team competitors are involved or a team selected. Public hearings or other public participation activities should be minimized once the competition and related decision making processes have begun. In any case, a public participation plan (schedule) should be prepared before a competition is undertaken.

Institutional Arrangements, Funding Commitments

Public agencies sponsoring competitions should make all organizational and funding arrangements necessary to move forward with the public side of a public/private partnership before a competition proceeds. Agency organizational arrangements for a competition are discussed in detail in subsequent sections of these guidelines. Arrangements referred to here include those necessary to carry out and complete the competition *and* to move forward with the project once a winner is selected. The organization and staff necessary to see a project through to completion and operation should be in place or ensured of being in place before the competition is completed. It is essential that those responsible for carrying out the project on the public side be present when negotiations with design/development teams are conducted.

Funding commitments are most important. Funding arrangements on the public side of a project may have to be adjusted as a result of private developer proposals and negotiations subsequent to completion of a competition. Nevertheless, potential competitors should be fully aware of agency resources and be assured that the public side will be able to meet its share of the funding required to implement the project. It is unreasonable to assume that design/development teams will make the large expenditures required to enter a competition if project funding is uncertain.

Competition Manager

It is recommended that local public agencies planning a competitive selection designate a "Competition Manager" to oversee the competition. This person may be drawn from agency staff or be recruited as a consultant. It is essential that the Competition Manager have experience with design/development competitions. It is preferable that the person's skills be primarily those of an administrator rather than those of a designer. The functions of the Competition Manager are spelled out in the Appendix. In general, the Competition Manager's responsibilities are as follows:

- To formulate competitive procedures and rules with assistance of staff or consultants as appropriate;
- To assist the agency manager in defining appropriate roles for staff and consultants;
- To prepare competition announcements and requests for participation (Requests for Qualifications and Requests for Proposals);
- To monitor submissions and submission reviews to ensure expeditious handling;
- To advise review bodies on competition rules and administrative matters and to maintain records of proceedings;
- To provide technical information to review panels and competitors;
- To notify participants regarding competition results;
- To arrange for publication of competition results.

The Competition Manager can provide invaluable service by helping agencies avoid serious procedural and administrative errors that can ruin a competition. The Competition Manager also may be called upon for substantive advice regarding the merits of submissions. This should not be the Competition Manager's main role and should be required only if the personal qualifications of the Competition Manager are appropriate for such a function. Ideally the Competition Manager should be a generalist who thoroughly understands the development process and the administrative and political requirements of local public agencies.

Staff Responsibilities

The administrative tasks associated with a competition may be assigned to agency staff or consultants. Both approaches have unique advantages. If experienced and technically qualified staff are available, they have the advantage of providing invaluable knowledge of institutional opportunities and constraints, project history, community conditions, and most important, they are available on a daily basis. Consultants, on the other hand, may bring technical expertise and the capacity to perform in a timely fashion, uninterrupted by the inevitable business demands placed on public agency staff. In large scale competitions, both agency staff and consultants probably will be required.

Staff, or consultants standing in as staff, will have many responsibilities. Under the direction of the Competition Manager, they will:

- Prepare the competition justification analysis (see previous section on this subject);
- Define competition procedures and rules;
- Administer the request for qualifications and proposals processes;

- Provide information to competitors prior to submission of qualifications and proposals;
- Provide administrative support for the proposal review process;
- Undertake technical advisory reviews of proposals; and
- Administer agency responses to proposals including notifications, negotiation support, publication of results, and other matters.

Advisory Committee

Competition decisions should rest with the “Governing Board” of the local public agency. However, the Board should be advised and assisted by an Advisory Committee whose members are appointed by the Board. The Advisory Committee, with the assistance of the Competition Manager and staff, should be responsible to the Board for overseeing the competition. The Appendix contains a description of Committee appointment procedures and other Advisory Committee matters. The following is a general description of Advisory Committee characteristics and functions.

The size, composition, and range of responsibilities of the Advisory Committee are dependent upon the nature of the project and the ability of the agency staff to act in an advisory capacity. Even if the agency has an experienced professional staff, it is still important to have an Advisory Committee. An Advisory Committee of highly qualified persons of diverse capacities can bring a degree of objectivity and insight to the selection task that is difficult for the staff to provide.

Ideally, an Advisory Committee voting membership would range in size from five to seven persons and should rarely exceed fifteen. If the nature of the project were such that the advice needed by the Governing Board were primarily technical, the “smaller the better” rule would be advisable. It is recognized that political conditions may pressure the agency to include local interest group representatives on the Advisory Committee. This could push membership beyond fifteen. Nevertheless, creating a larger Advisory Committee should be resisted. It is important that the size of the Advisory Committee be amenable to rapid decision making.

The members of the Advisory Committee should represent all the areas of expertise needed to evaluate the competence of the design/development team, as well as all aspects of project proposals. Typically, committee members should include, at a minimum, persons with expertise in real estate economics and project finance, law, design, construction, and property operations. Ideally, members also should have some knowledge of how a project may affect the community fiscally, environmentally, socially, and its quality of life. If committee members cannot provide this range of expertise, the use of consultants to provide such service should be considered. In any case, it is desirable that all members be distinguished in their respective fields and have reputations for objectivity. Members should be compensated.

Advisory Committee membership should not include members of the Governing Board. This precludes political complications within the Advisory Committee. Board members should be invited to observe but should not participate in Advisory Committee proceedings.

In order to ensure good communication between involved public agencies, non-voting membership should be extended to the directors of the sponsoring agency, the planning department, the office of community development. As noted above, interest group membership should be discouraged, but if necessary, they may be accorded non-voting status.

All members of the Advisory Committee should be thoroughly briefed on the purposes of the competition, the rules and regulations, and the selection procedures. It is essential that members of the Advisory Committee agree to the rules before the competition is undertaken.

The deliberations of the Advisory Committee are not a substitute for participation by the general public or for action by the Governing Board. The primary function of the Advisory Committee is that of bringing a high degree of business and professional expertise to the selection process and in making recommendations to the Governing Board as to which development team should be selected. It is the Governing Board that makes the final decision; this is its governmental function.

At the same time, the Governing Board should not treat the recommendations of the Advisory Committee lightly. If the Board's decision is contrary to that of the Advisory Committee, the minutes of the meeting should show clearly why the Board decided against the Advisory Committee's recommendations.

Deliberations of the Advisory Committee should be private unless open deliberations are required by law. Every effort should be made to organize the Committee in such a way that private deliberations are possible. Committee reports to the Board, however, should be made in public meetings. Also the Committee may choose to receive presentations from competitors in public meetings.

COMPETITION PROCEDURES

It is a fundamental principal that all design/development competitions are to be divided into two phases; a “Qualifications” phase and a “Proposal” phase. Such a procedure will ensure that all selection criteria, including design, receive appropriate consideration.

Qualifications Phase

This is the “winnowing out” phase. It has two major objectives. The first is to determine the financial capacity of the developers and their record of performance. The second is to evaluate the other members of the developers’ teams — the architects, planners, managers, etc. — to see how they measure up on the basis of their past performance.

It is during the Qualifications Phase that the local public agency advertises the competition and distributes “Requests for Qualifications” (RFQs). No design proposals are submitted during this phase — only the qualifications of the members of the team. The local public agency establishes a list of qualified bidders from these initial submissions.

One purpose of this phase is to reduce the number of competitors to those most likely to succeed before they incur major costs. Another is to reduce the number of finalists (3-5). This gives each a reasonable chance of winning and justifies its competition expenditures. This procedure also reduces the agency’s administrative work load.

Advertising and Briefing

Competitions should be advertised through appropriate media and professional trade journals. Advertisements should describe briefly the nature of the competition, indicate that requests for design/development team qualifications are being solicited, and state that RFQ packets may be obtained on request. Local public agencies should charge a modest sum (say \$100) for those packets.

The local public agency also should hold a briefing session for interested bidders. The briefing session will clarify the agency’s objectives and eliminate misunderstandings about the selection criteria and administrative procedures. The agency also should hold a briefing for interested public officials. This will improve communication with them and encourage their cooperation.

Request for Qualifications

The RFQ should include:

- Clear statements of the public goals and objectives for the project and its surroundings;
- Information on institutional arrangements and regulations affecting development on the site;
- Probable arrangements regarding public organizational and funding participation of project implementation;
- Probable arrangements regarding site disposition, if appropriate;
- Information on the agency and its purpose and mode of operation;
- Design/development team selection criteria and specifications of submission requirements; and
- A schedule of competition events, including team selection.

The RFQ should state clearly that it is the intention of the local public agency to reduce the number of competitors to a specific number (3-5) and that the agency's decision in this regard will be final.

Submission Requirements

The following information should be required of all those responding to the Request for Qualifications:

- The experience, professional qualifications, and role of all team members; specifically:
 1. Design and development experience related to the project as evidenced by written and graphic material
 2. Experience related to project operation after completion, if appropriate
 3. Information on the success or failure of previous development projects
 4. Team management, communication and coordination arrangements, and statements of the role of each team member
- An audited statement of the financial capability of the developer to undertake and complete a project of the scale and character envisioned by the local public agency. The statement also should include evidence of equity and probable debt financing resources.
- Information related to participation requirements specified by the agency, such as minority or local business participation, if appropriate.
- References.

Local public agencies also may consider requiring “Concept Statements” by each team, spelling out its philosophy regarding public/private projects with significant public benefit objectives. Such a requirement should be used with great care since it could open the door to proposals specific to the project and negate the objective of minimizing the costs of qualifications phase submissions for competitors. The subjects to be covered in such statements should be specified. Detailed development proposals should be prohibited. All graphics submitted should be limited to evidence of experience and performance. In short, no competitor should be allowed to use this stage to submit a proposal under the guise of submitting his philosophy on how the project might be developed.

Selection Criteria

The experience and capacity of the developer should be given primary consideration in the qualifications phase. Given the objective of obtaining a completed and successfully operating project, a developer’s shortcomings cannot be tolerated or remedied after selection. The qualifications of the design team are also of considerable importance and should be carefully evaluated. However, there is a high probability that well qualified developers will attract well qualified design members for their team.

Quantification of selection criteria is not recommended. The complexity of qualification factors is not susceptible to simplistic factor analysis. Moreover, subjective judgements invariably will be required. There is a danger that a numerical weighting system may have to be abandoned in mid-process with resulting embarrassment and unfairness to competitors. This problem need not preclude general weighting or an indication of the relative importance of each criteria. The use of check lists of criteria is recommended to ensure comprehensive reviews.

Review and Selection Procedures

Timing is of the essence in competitions. Reviews should be expeditious. RFQs should be reviewed by the Competition Manager and staff; and their analyses are to be submitted to the Advisory Committee. The Advisory Committee should recommend a list of finalists and present its recommendations to the Board along with a written record of the staff’s analysis. The list of finalists should include no more than three to five design/development teams. This will ensure that each of the finalists has a reasonable chance of winning while providing the agency with a significant number of choices.

The Board selects the finalists but should call upon the Competition Manager and Advisory Committee for advice and counsel as needed. The concern of the Board is that the finalists are qualified to undertake and complete the project and are the most qualified among the competitors.

Rearrangement of team memberships may be considered. For example, it may be desirable to designate a team as qualified, but on the condition

that one or more of the team members be changed. While this procedure may eventually result in stronger teams, it introduces a substantial element of uncertainty and delay into the proceedings.

Public hearings should not be required at this stage of the competition, and the Board should act as quickly as possible. News of the selection process and the list of finalists should be publicized, and all competitors should be notified of the results.

An Optional Urban Design Phase

A third phase may be necessary in competitions when it has been determined that an urban design plan for the project and its surroundings should be prepared as part of the competitive process instead of beforehand. In this case, the RFQ stage may be followed by having each qualified competitor prepare an urban design plan. Each competitor would be compensated. The agency, in cooperation with other appropriate agencies, would then select one of the plans. The plan would provide the context for final design/development proposals by the qualified competitors.

This procedure adds considerable time and cost to the overall process of selecting design/development teams and should be used with caution. It has the dual advantage, however, of generating urban design concepts in a timely manner and of making maximum use of design/development team talent.

The Proposal Phase

The proposal phase includes the formulation and distribution of submission requirements, submission of comprehensive project proposals, evaluation of proposals, preliminary selection of a winner, negotiations with the designated winner, and final selection of a design/development team.

Submission Requirements

The agency should issue each finalist a document describing submission requirements. The packet should describe the review process, the decision schedule, the relative importance of each submission requirement in the final decision, and arrangements for publicizing the results. Competitors should be informed regarding the ownership of all documents, graphics, and models.

Materials to be submitted by the finalists should include:

- A written statement of the team's understanding of the purposes of the project;

- A full description of the proposed development, including appropriate graphics and perhaps a model;
- A description of the business “deal” (development management, finance, operating characteristics, and related matters);
- A section summarizing public benefits and costs; and
- A proposed schedule of project implementation.

Statement of Understanding. Each competitor should be required to submit a brief written statement that defines the team’s understanding of the background, context, and purposes of the proposed project. The competitors also should be encouraged to describe in summary fashion why they are uniquely capable of meeting agency objectives.

Design Proposals. This is a major submission since the selection of the development team will be highly influenced by the quality of the design. As mentioned previously, it is desirable for agencies to adopt strict design guidelines prior to the competition. Competitors should be provided with a complete package of materials that describe relevant policies, plans, regulations, and public investment programs. Competitors should be required to be responsive to these policies, especially the design regulations or guidelines. However, teams should be allowed to show how they might amend their basic designs to achieve an improvement that might require a change or regulation or guideline. Such amendments should be fully justified in writing by the competitors.

The agency should be precise in defining the specific materials that are to be submitted illustrating a team’s proposed design. The number, type, and size of graphic materials should be specified. Most projects can be adequately illustrated by a plan, two or three elevations, and a perspective or axiometric drawing. Complex projects may require more. The specifications for graphics and related materials should be prepared by staff experts or consultants. Specifications should include the size of the boards, the use or absence of color, the scale of the drawings, and reproducibility.

The reasons for strict rules are threefold:

- To keep the agency from being deluged with graphics that may or may not be helpful;
- To keep costs for competitors within reason; and
- To prevent a competitor from obtaining unfair advantage by submitting more elaborate materials.

It should be made clear to competitors that excess of non-conforming graphic material will be rejected; and agencies must, in fact, reject such material.

A requirement for submission of a model presents special problems. Models can be quite useful in illustrating proposals. They are especially helpful in clarifying project height and bulk features, and they are helpful to persons who have difficulty understanding project plans and elevation graphics. But models can be *expensive*. If limits are not placed upon the size and detail of models, the cost may discourage potential competitors.

If a model is deemed an essential submission requirement, where height and bulk issues are especially important, for example, the sponsoring agency should take two actions. First, it should establish strict specifications for model submissions and allow no exceptions. Specifications should be based on the particular needs served by the model and on a study of model costs. For example, if height and bulk questions are the issues models will help to resolve, then model specs should call for very simple, mono-color models with no finishing detail. If the issue is the nature and extent of landscaping, open spaces, or building amenities, more detailed models may be appropriate.

With respect to model costs, agencies should assess whether such costs will have a limiting effect on the number and source of competitive submissions. If agencies have no previous experience with models, they should seek the advice of experts on the cost issue. One way to limit model costs while still creating a model that serves both study and public information purposes, is for the sponsoring agency to prepare its own context model.

A context model includes the area surrounding the project with a blank space or hole for insertion of competitor models. Each competitor's model would be constructed at the same scale and designed to fit into the blank space in the agency's context model. This procedure is initially more costly for the agency, but it creates a useful evaluation tool and may pay for itself by making the competition attractive to talented design firms that otherwise would decline to submit proposals because of cost.

Management, Finance, and Related Requirements. The nature of submission requirements for this portion of the proposal will vary widely depending upon the type, size, and complexity of the deal envisioned. Since financial capacity information has already been submitted during the qualification phase, it should not be required again unless clarification is necessary.

Required materials covering management and finance should include, but are not limited to:

- A full description of private and public roles and responsibilities during planning, design, construction, and operation of the project;
- Estimates of market demand and project usage backed up by appropriate studies;

- A detailed capital budget;
- Sources and uses of all public and private funds;
- Pro-forma and cash flow projections; and
- Marketing strategy, if appropriate.

Public Benefits and Cost Statement. Competitors should be required to summarize both quantifiable and nonquantifiable public benefits and the costs associated with the proposed project. The benefits and costs associated with the project's design features should be addressed specifically.

The purpose of this requirement is to focus the attention of both the design/development team and the reviewers on public benefit and cost factors and to expedite the review procedures by assembling essential information on these factors. This step also will alert the public sector to any development requirements that may preclude successful implementation of the project due to insufficient or uncertain public resources.

Fee Requirement

Agencies should charge final competitors small fees to cover incidental administrative costs. If there are questions of team capability and intent, even after the qualification phase, then a substantial refundable "good faith" fee should be considered. Although it seems a contradiction in terms, some qualified design/development teams respond to competition qualification requests as a matter of course but without a serious commitment to produce a final proposal or to implement a project in a timely fashion. This may be due to conflicting commitments and the hope that, once admitted to the final competition, they might be able to negotiate delays or other changes to suit their needs. Other teams may enter competitions primarily to achieve visibility in the media. A "good faith" fee may help weed out such entrants.

The size of the fee should be commensurate with the nature of the problem, but should not be so large as to make it difficult for smaller firms to participate. The fee should be refunded to losers and, for the winner, credit should be given against future funding requirements.

Proposal Preparation

Final competitors should be given adequate time to prepare their proposals. Complex proposals will require at least 60 to 90 days to organize and prepare. Remember, competitors cannot devote full time to proposal preparation without neglecting their current operations.

Competitors should be given a list of agency and community resource contacts for use during proposal preparation.

The Competition Manager should be the primary contact and coordinator for other contacts. Competitors should be discouraged from contacting those not on the list. Agency staff contacts should be minimized. The purpose of this requirement is to focus responsibilities in the agency on compiling information and to reduce unnecessary duplication of effort and expenditure of time, not to restrict information flow.

Selection Criteria Weighting

Agencies should consider the relative weighting of the selection criteria and describe the weightings in the information distributed to the potential competitors. However, agencies should keep the process of weighting the criteria flexible and not adopt precise, numerical weighting schemes. As noted before, such schemes are too often a screen for judgements which, in any case, are subjective. A check list of criteria with notes on relative weighting is useful to reviewers and competitors.

Design factors should be given significant and explicit weighting in the criteria used for screening final proposals. Management and finance factors will have been considered as dominant factors in the qualification phase and will always be important criteria. Design issues, however, are of particular importance in this stage of the competition. The best financial and management "deal" will always be a major criterion of project desirability, but the importance of design for the long-term welfare of the community should never be overlooked. In fact, project design may have greater relevance to the long-term financial success or failure of the project than any immediate financial benefits offered by a team to the agency. This is because design can affect favorably project marketability and profitability; and a well designed project can enhance the investment value of surrounding areas and encourage better design throughout a community.

Review Procedures

The review procedures for the finalists' proposals should be similar to the qualifications reviews but with two additional steps. As in the case of the qualifications reviews, the Competition Manager and staff should make an initial review to determine whether the competitors have met the submission requirements. Questions regarding submission requirements should be resolved before substantive reviews are conducted. If qualified staff are available, they should conduct a substantive analysis for submission to the Advisory Committee and Board.

It is essential that the Advisory Committee review and rate each proposal in its entirety. Each component of a proposal (e.g., finance, design) may be evaluated separately, but in the final analysis a composite rating should be given. The objective of project selection is to obtain a project that is financially sound *and* well designed. As previously noted, the committee membership should provide all required areas of expertise. Any gaps in committee expertise should be filled with expert consultants.

As part of its evaluation, the Advisory Committee may publish or display the proposals and solicit public reaction and comment. Such actions should be planned carefully to ensure useful and timely feedback from the public. This step can cause substantial delays in decision making and should be used with caution. Nevertheless, it may be an essential step in obtaining public support for the project.

Whether or not the proposals are published, the Advisory Committee should receive presentations from the competitors in a meeting open to the public. Public comment should be invited — but not at the meeting. This step is useful not only to obtain public sentiment and specific technical concerns, but also for public relations purposes.

The scope and nature of presentations by competitors should be controlled by the agency to reduce costs and preclude public relations blitzes by the teams. A time limit should be set and adhered to. Materials used by the teams to illustrate points should be limited to those submitted as part of the proposals. It is often useful for the agency to give competitors a list of questions to which it wishes responses during the presentations.

Before the Advisory Committee formulates its final report to the Governing Board, each design/development team should be required to make its presentation to the Board at a public meeting. This gives the Committee an opportunity to respond to technical questions raised by the Board. The final recommendations of the Advisory Committee should be submitted in writing. The recommendations should be accompanied by a full report of the Committee's findings and conclusions. This report should be considered the official file of the Committee and should be made available to the public. Committee working notes and papers should be kept confidential.

The Governing Board should select a competition winner and either announce its action, or, if required by state law, submit its design for approval to the local legislative body. The winner, in any case, should be designated on a contingency basis. The winning team and agency then will enter into negotiations that must be completed successfully within a stated period before the winner is officially designated as the project developer.

Negotiation subjects may include financial, management, or design issues. If negotiations do not result in agreement, the agency should reserve the right to terminate relationships with the winner and initiate negotiations with the runner-up. At the completion of a successful negotiation, the designation of the successful design/development team will mark the end of the competition process.

Agencies should debrief unsuccessful competitors after final designation. For the record and for the purposes of publication as noted below, agencies should create a written record of proposal evaluations and a

careful documentation of the reasons for selecting the winner. This information should be made available to the losers. The credibility of competitions, and thus their attraction to high quality talent, will depend on the maintenance of a reputation of objectivity and evenhandedness on competition procedures and decisions.

Procedural or Selection Criteria Changes

Changes in procedures and criteria during the competition process pose an especially difficult problem and should be avoided at all costs. Nevertheless, circumstances may dictate changes. In this event, appropriate action will be defined by the type of changes required.

Minor fact changes before submission of proposals may be handled by an addendum distributed to all competitors. In some situations a competitor will ask for clarification of the submission requirements. Any information given to a competitor must be in writing and should be sent to the other competitors. Care should be taken that the changes do not create unmanageable, last minute burdens for competitors.

Any change in the selection criteria made after submission of proposals that require changes in the the proposals are most likely to result in the termination of the competition process. Minor changes that necessitate simple proposal addenda or submission of supplementary information may be tolerated. But any change in criteria that requires proposal revision essentially reopens the proposal process. This may create great inequities or additional work and should not be allowed.

Procedural changes also can create inequities and should be avoided. It is best to start over and give all competitors a chance to respond to the new rules.

Publication of Results

Agencies should publish information on the proposals submitted by the finalists. Publication of the results is especially important to the design members of the design/development teams. The prospect of being published as a finalist in important competitions will be a major attraction for good designer participation in the competition.

APPENDIX

The Advisory Committee

The Advisory Committee serves as a jury, recommending the best development teams and the best design solution. It should be an independent body, making its recommendations to the Governing Board without reference to political considerations.

In its first cut, it will recommend the top three to five development teams. In its second cut, it will recommend the best design solution. Thus, developer capability and design are the Advisory Committee's two major concerns, and its membership should be so oriented.

The optimum number of members is five. It should be no more than seven. Membership should include at least one (preferably two) outstanding design architects, architects who are known for their design ability and who are so recognized by their peers. If they have a bit of age to them, so much the better. With this configuration, the decision of the Advisory Committee will be recognized by the design members of the competing teams as informed design judgements.

The Advisory Committee also should include at least one (preferably two) financially oriented members who are familiar with development and know how to read a balance sheet. They should have some knowledge of developers and their reputations.

Another member (who could be one of the financial members) should be a developer — a developer who is recognized for producing well designed projects. That person will bring to the evaluation process a concern for the reliability of the developer and will contribute to the practicability of the designs.

Another member, who should serve as chairman, should be a highly respected member of the local community. In every community, there is someone who is looked upon as an elder statesman — one whose judgement is respected and whose integrity is beyond question. Such a member will be concerned with the impact of the development upon the community.

It is important that the Advisory Committee be viewed as a group of individuals of integrity and ability whose only interest is in recommending the best solution. The Committee's recommendations to the Board should be highly respected — so respected that the Board would have to find overwhelming reasons to reject the Committee's recommendations.

The members of the Advisory Committee should be selected by the Governing Board. The Competition Manager's advice on Advisory Committee membership should be given considerable weight. The selection of the chairman — the local elder statesman — obviously is the sole concern of the Governing Board.

As for the selection of the Competition Manager, this too is the final decision of the Governing Board, but the Board should seek staff advice.

Finally, the Governing Board should provide funds to enable the Advisory Committee to obtain additional professional advice if the Committee feels such services are necessary.

The Competition Manager

The Competition Manager is a professional. In design competitions, he would be called a Professional Advisor. His job is to see that the competition is conducted in a professional manner. He should know the procedures of a properly conducted competition, and his advice on how the competition should be run should be accepted.

As for his qualifications, he need not be an architect, but he should understand how architects work and have an understanding of design. He should have experience in dealing with architects. He should have experience as a client. It is a plus if he has had experience as a developer. He should understand the construction process and the economic exigencies of bringing a project in within the budget.

In short, he should be sympathetic to design but realistic on how the project can be built.

A further qualification is his knowledge and understanding of local government. Administrative experience in local government is a plus.

A source for finding competition managers is the roster of professional advisors maintained by The National Endowment for the Arts. Although those on the roster are qualified as professional advisors for design competitions, many also will meet the requirements for Competition Managers.